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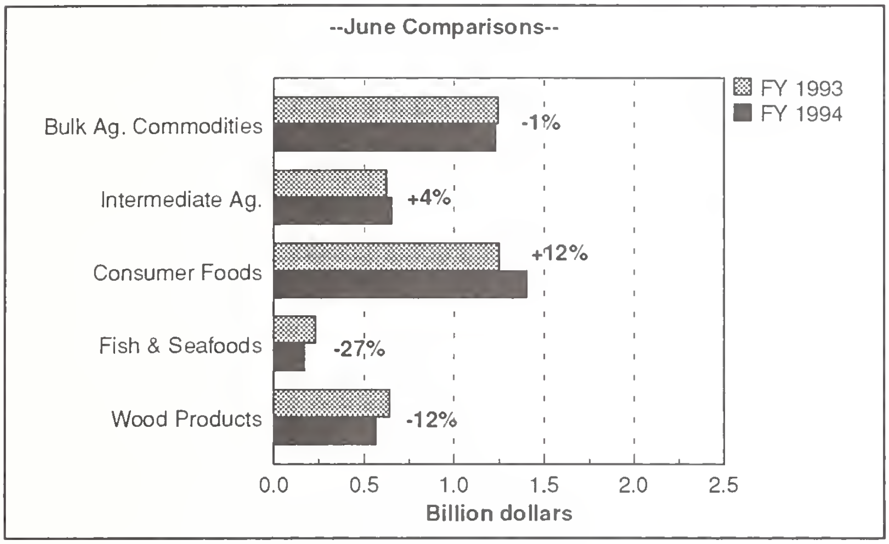
Agricultural Trade Highlights

Exports Rise 5 Percent in June

Double-digit Growth for Consumer Foods



June trade statistics released on August 18 by the Commerce Department placed the value of U.S. *agricultural, fish, and forest product* exports at $4 billion, a 1 percent increase from the same month last year. Agricultural exports alone totaled $3.3 billion, up 5 percent from June of last year. Exports of intermediate and consumer-oriented products rose, while exports of bulk commodities fell. For the second month in a row, monthly exports of consumer-oriented products exceeded those of bulk commodities. Fish and forest product exports totaled $746 million, down 16 percent from June 1993.

June shipments bring U.S. agricultural, fish, and forest product exports for the first nine months of fiscal 1994 to $40.3 billion, 1 percent below the same period last year. So far this year increased consumer-oriented high value shipments have offset declines in bulk, forest product and fish shipments. Intermediate products rose slightly.

At $1.2 billion in June, U.S. exports of *bulk commodities* were down 1 percent from the same month last year. Losses were in all categories, except rice, cotton, pulses, and other bulk commodities. Cotton shipments continue to lead the category, surging 137 percent (up $154 million). This is primarily due to sharply higher cotton sales to China to make up for that country's continued domestic shortfalls. For the first nine months of fiscal 1994, bulk commodity shipments reached $14 billion, a 7-percent drop from the same period in fiscal 1993.

U.S. exports of *intermediate products* reached $656 million in June, up 4 percent from the same month last year. Sharp declines in wheat flour, soybean meal and soybean oil were offset by double-digit gains in other vegetable oils, hides and skins, and animal fats. Intermediate product exports totaled $7 billion for the first nine months of fiscal 1994, up 1 percent from the same period in 1993.

June exports of *consumer-oriented high value products* exceeded $1.4 billion, up 12 percent from the same month last year. Exports increased in all categories, except chilled and frozen red meats, and prepared and preserved red meats. Double-digit increases were registered in exports of snack foods, breakfast foods, poultry meat, eggs and products, fresh fruit, fruit and vegetable juices, beer and wine, and pet foods. Shipment of wine and beer increased 58 percent, led by strong sales to Japan. Consumer food exports for the first nine months of fiscal 1994 rose to $12 billion, up 10 percent from the same period in fiscal 1993. Growth in poultry meat led all categories.

At $173 million, edible *fish and seafood* exports fell 27 percent from June 1993. An increase in shipments of crab was offset by sharp declines in all other categories. U.S. *forest product* exports were $573 million in June, down 12 percent from the same month last year. Falling 20 percent, logs posted the most significant decline. For the first nine months of fiscal 1994, fish and seafood exports were $1.9 billion, down 4 percent from the same period in fiscal 1993, while U.S. forest product exports were down 8 percent from last year's record.

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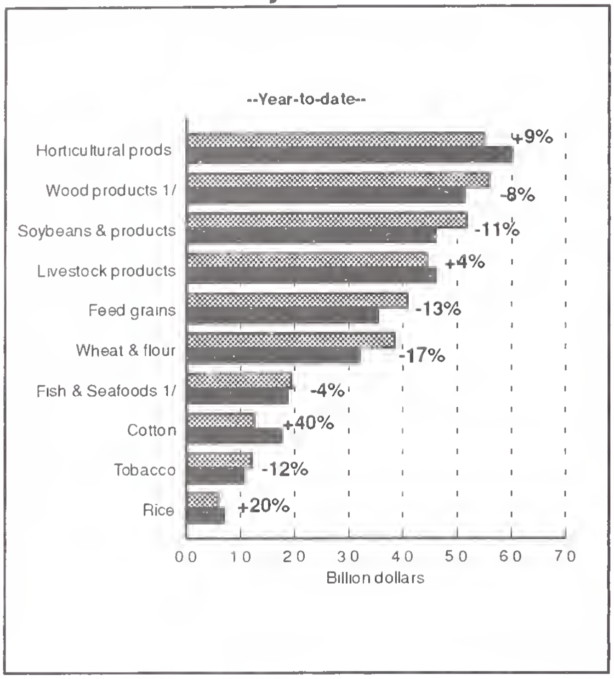
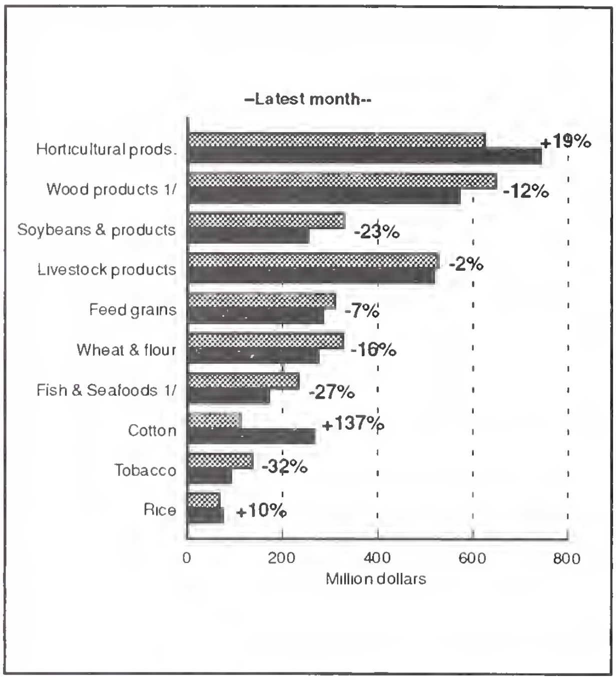
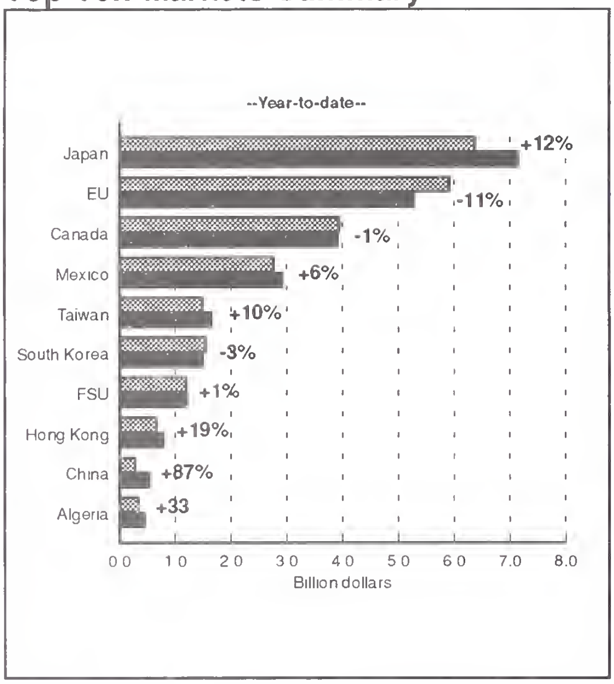
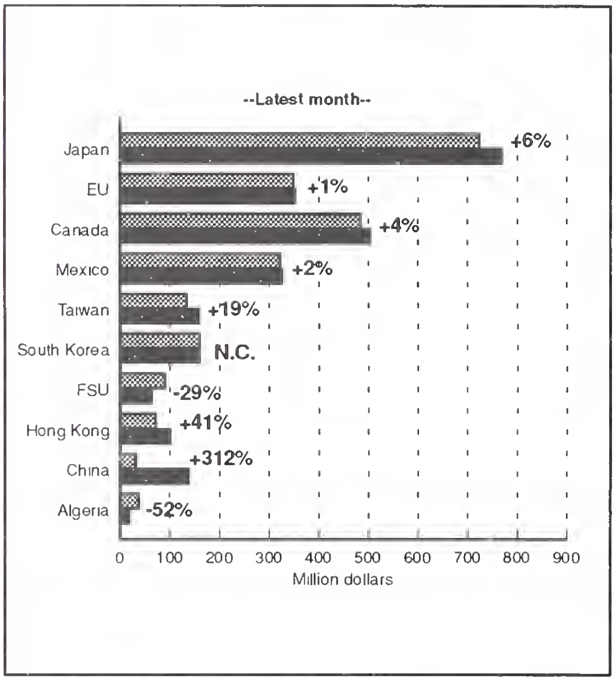
Product Summary





Top Ten Markets Summary





Note: Percentages are computed as the change from a year ago.
1/ Not included in agricultural totals.

Consumer Food Highlights

At $ 7.8 billion for the first half of 1994, U.S. consumer food exports were 11 percent ahead of last year's record-setting pace. Fresh fruit, poultry, tree nuts, snack foods, breakfast cereals and pet foods have all recorded double-digit gains so far this year.

Chilled/frozen red meat exports totaled $1.6 billion during the first half of 1994, a 3-percent increase over the same period last year. At $1 billion, exports of chilled/frozen beef are up 9 percent during the first half of the year. Export value for June 1994 is down 17 percent from the same month last year, largely due to lower prices on beef shipped to Japan. Exports to Mexico resumed their upward trend since tariffs were removed, and sales to South Korea doubled from the same period last year.

Exports of *fresh fruits* totaled $937 million during the first half of 1994, a 27-percent increase over the same period last year which ended in record export sales. Apples and cherries continue as the products driving the increase in fresh fruit sales. Apple shipments in June reached nearly $28 million or 61-percent ahead of shipments for June 1993. Sweet cherries jumped 78 percent to $66 million in June sales. Rising cherry exports are due to strong demand in Japan which accounted for $47 million of June's cherry sales. An unusually hot summer in Japan is one of the factors affecting demand. Mexico continues to grow as a major market for U.S. fruit. For the first six months of this year, U.S. sales of fresh fruit totalled $89 million. This puts Mexico on a pace to easily exceed 1993's full year record of $97 million. Sales to Canada, the top fresh fruit market remain flat in part due to a lower Canadian dollar.

Exports of *processed fruits and vegetables* totaled $786 million in the first half of 1994, a 2-percent increase over the same period last year which ended in record export sales. This increase is largely the result of ongoing expansion of frozen french fry, dried potato flake and tomato exports and higher raisin prices. At $91 million, frozen french fry shipments are up 24 percent largely due to the continued growth in demand from food service industries in Japan and other East Asian countries.

Exports of *poultry meat* were $705 million for the first half of 1994 or 50 percent ahead of the record setting pace of the same period last year. Most poultry exports are frozen chicken parts. However, nearly half of poultry shipments to Mexico are frozen turkey cuts. Sales to Mexico continue to rise, reaching $109 million so far this year, or 29 percent ahead of the same period last year. There are strong sales across the board to the top ten country markets with the exception of Canada which fell 6 percent. A major growth market is Hong Kong which is up 45-percent to reach $111 million. Poultry sales continue to rise sharply to the Russian Federation, and have reached a record $136 million.

Snack food exports totaled $498 million during the first half of 1994, a 10-percent increase over the same period last year. Sales to Canada and Mexico, the two largest markets, are flat this year. Salty snacks (potato chips, corn chips and popcorn) currently make up 29 percent of total snack food exports, and much of the recent export growth is coming from new sales to Russia and Japan. Trade statistics confirm that some sales to Russia first pass through Western Europe's ports and are then consolidated with European brands.

Sales of *tree nuts* in the first half of 1994 reached $469 million. This is 28 percent ahead of the same period last year. Higher almond prices are a major factor in rising export value. This is partially reflected in exports to the EU which reached $234 million or 53 percent higher than the same period last year. Most tree nut shipments to the EU are almonds. Shipments to Japan are 22 percent ahead of last year's record setting pace, reaching $67 million for the first six months of this year. Snack nuts represent 40 percent of total tree nut exports. Sales of snack nuts have increased at a slightly faster pace than tree nuts overall as shipments rose 33 percent to $183 million for the first half of 1994.

U.S. *pet food* exports rose to $272 million in the first six months of 1994, or 16 percent ahead of last year's record setting pace. Shipments in June rose 19 percent to $50 million compared to the same month last year. Canada continues to be the leading market followed by Japan and the European Union. Strong growth in diverse markets such as Mexico, Australia, Japan, Italy, Taiwan and the UK is driving sales. Mexico in particular has emerged as the fourth largest export market with sales in the first half of 1994 reaching nearly $14 million, or 72 percent ahead of the same period last year. At this rate, Mexico is likely to exceed last year's record $19.6 million in sales.

Shipments of *fruit and vegetable juices* were $260 million for the first 6 months of 1994, or 5 percent ahead of the same period last year. Sales in the top three markets are mixed. Exports to Canada and the EU continue to be flat, while shipments to Japan are 10 percent higher. Mexico is emerging as a major growth market for juice. Sales were $6.4 million or 35 percent ahead of last year's record setting pace. Tomato juice is the largest specific juice item accounting for 22 percent of total juice exports to Mexico.

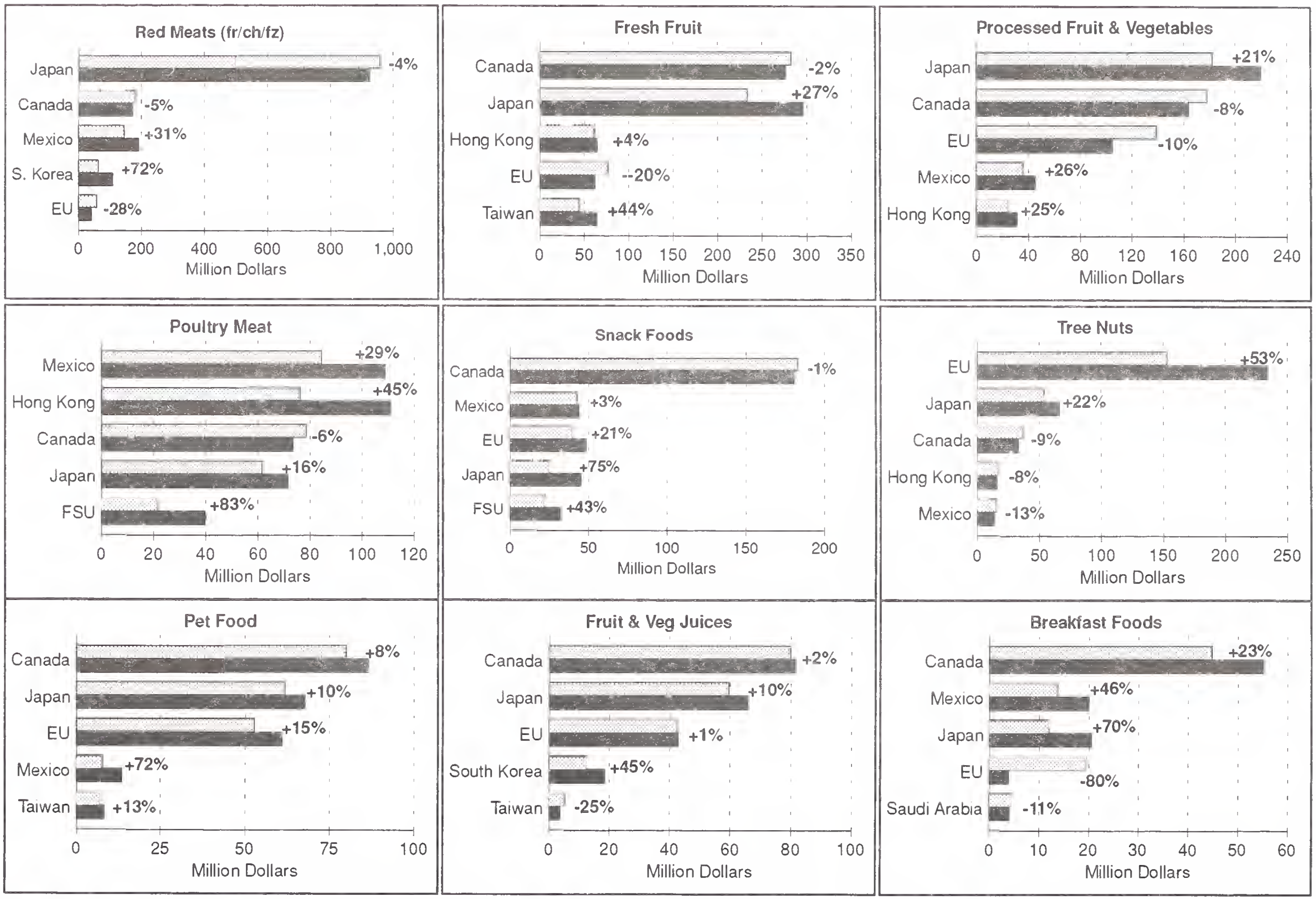
Exports of *breakfast foods* totaled $141 million during the first half of 1994, a 14-percent increase over the same period last year. Sales to the three top export markets, Canada, Mexico and Japan, are running 23 to 70-percent ahead of last year's levels and appear to be on their way to new record highs for 1994.

For more information, contact Robert Tse at (202) 720-1034.

Top Five Markets for Selected U.S. Consumer Foods

January Through June Comparisons

CY '93 CY '94



Notes: 1/Relatively negligible exports reported during compatible period last year.
Percentages are computed as the change from 1993 to 1994. Countries are ranked from highest to lowest based on full CY 1993 exports.

Product Spotlight: Wine

U.S. wine exports have expanded strongly in recent years, despite an oversupply of European wine on the world market and the predominant position European labels enjoy. Since 1984, U.S. exports rose on average 24 percent each year to $177 million in 1993. Increased U.S. industry promotion efforts, reduced Canadian import barriers, a growing demand for "New World" wines in Europe, and a rising interest in wines among wealthier Japanese buyers have fueled this expansion. Assuming these trends continue, U.S. wine exports could top $300 million by the end of this decade.

By Ernest Carter

In 1993, U.S. wine exports totaled 127,000 liters valued at a record $177 million. This year, little change is expected in sales volume but sales value should rise to $185 million. The major overseas markets for U.S. wines are Canada, the UK and Japan, which accounted for 56 percent of the volume. Canada and the UK remain the two largest markets. Last year, U.S. wineries shipped 34,000 liters to Canada and 24,000 liters to the UK. Shipments to Japan reached a record 22,000 liters in 1992, then dropped to 13,000 liters in 1993. Other important markets include the Caribbean, Denmark, Germany, Mexico and Taiwan, each of which purchased 8,000 to 4,000 liters last year.

Estimated at $8.7 billion in 1992, the world wine trade is dominated by the European Union (EU), which is the largest producer, consumer and trader. France's *Office de la Vigne et du Vin*, estimates that the EU accounts for about two-thirds of total world production. With respect to trade, the EU share of world exports (excluding EU intra-trade valued at $3.6 billion in 1992) remained stable at 74 percent from 1987 to 1992. While exports of the so-called "New World" wines of the United States, Australia, Chile, Argentina and South Africa have increased and their share of the global market has risen. World wine trade (estimated at $8.7 billion in 1992) is dominated by the European Union.

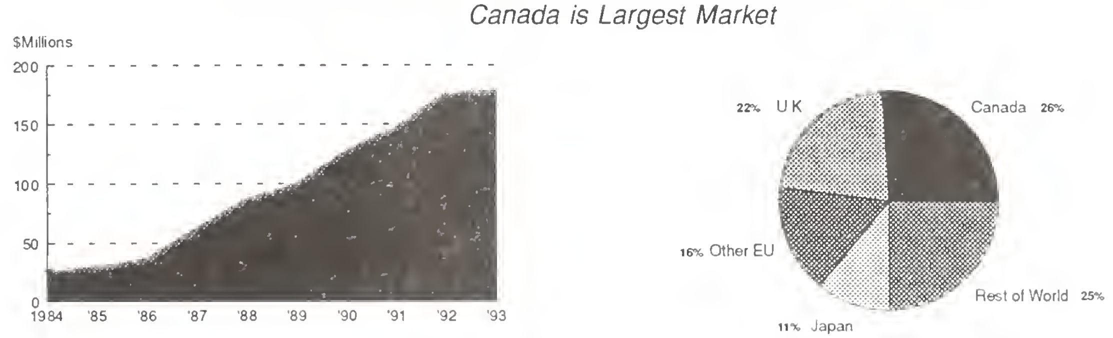
Deregulation and Marketing Efforts Boost Sales to Canada

Canada is traditionally the largest export market for U.S. wines. The size of this market is 23 million cases, 60 percent of which consists of imported wine. Although domestic consumption has declined 3 to 4 percent a year for the past few years, U.S. wine sales have actually grown. Since 1984, U.S. exports grew on average 13 percent each year, while their share of the total wine market grew from 4 to 14 percent. Historically, much of these exports were bulk wines bought by Canadian bottlers and wineries to blend with local Canadian wines. But recently this has changed as U.S. wineries focus on developing a branded business based on premium varietals. This shift is made possible because Canadian awareness of U.S. wines has grown as a result of increased market promotion activities. It is also encouraged as Provincial Liquor Control Boards begin to lessen their discriminatory import practices.

The Canadian-U.S. Free Trade Agreement has played a critical role in expanding the presence of U.S. wines in the Canadian market. In addition to the 10-year phase out of import tariffs, this agreement requires the elimination of discriminatory mark-up, listing and pricing practices that tend to favor Canadian and European wines. Over the years, these practices have restricted the availability of U.S. wines and made them relatively more expensive. The result was that Canadian consumers had less opportunity to sample U.S. products, and were therefore less knowledgeable about them. Although there has been some backpedaling and progress has been slower than expected, the process of deregulation continues. Indeed, Alberta became the first to privatize its system in 1993, and the

U.S. Wine Exports Reach Record $177 Million in 1993

Canada is Largest Market



1993 Breakdown by Market

Large Global Wine Supply Constraint on Trade

Global wine supplies have usually exceeded demand during the past three decades. In 1992, production exceeded consumption by 6.8 billion liters or 30 percent of total consumption. The most recent data available show that world wine production totaled 29.9 billion liters in 1992, an increase over the previous year's output but well below the average annual level of 32.6 billion liters in the 1970s and early-1980s. On the demand side, world wine consumption totaled 23.1 billion liters in 1992, or slightly below the average annual level of 23.8 billion liters from 1986 to 1990. Despite a partial reduction in EU subsidies, over production will likely persist well into the next decade.

other liquor boards and provincial governments are watching this development to assess the feasibility of making similar changes in their own markets.

The U.S. wine industry greatly expanded its marketing efforts beginning in 1989. The industry was forced to look for new markets in response to the slowdown in U.S. wine consumption and aided by the start-up of USDA's Market Promotion Program. U.S. wineries began fielding sales representatives to support their consumer advertising and retail merchandising efforts. Generic activities also expanded. Emphasis was placed on increasing retail listings and shelf space. New in-store promotions with several provinces and educational programs for retail buyers were undertaken. The Wine Institute, which coordinates much of the effort, started a public relations program in 1990, and in-house promotions with major hotels and upscale restaurants began in 1992.

Price Competition Threatens Sales Expansion in the UK

The UK is traditionally the second largest export market for U.S. wines. With no significant domestic industry of its own, the UK relies almost entirely on imports to meet domestic demand and has become the world's second largest importer. Traditionally a beverage enjoyed by only a few, the 1980s witnessed a spectacular growth in sales as wine became increasingly viewed as a popular alternative to malt beverages. The UK is one of the few countries in the world where consumption is still increasing. Since 1984, U.S. wine exports grew on average 22 percent each year, while their share of the total wine market grew from 0.4 percent to 2.2 percent.

The UK is considered the world's most competitive and price sensitive market. Low-priced, subsidized European wines, which also enjoy reduced import tariffs, control over 90 percent of the import market. The huge promotional programs of EU wine-producing countries, particularly those of France and Germany, further help maintain their presence in this market. During the past few years, price competition has further intensified due to the consolidation of retail sales among the major supermarket chains. They now control 50 percent of total retail sales, and competition among them has pushed prices to remarkably low levels. According to the Wine Spectator magazine, over half of all sales occur in the £2.00 to £3.00 range and nearly 90 percent of all sales are priced below £4.00. The average price is a remarkable £2.85 per bottle. (The current exchange rate is £1=$US1.55)

Despite stiff price competition, "New World" wine sales have grown, and their share of the import market now stands at 6 percent. Australian, Chilean and most other "new World" wines offer good value to shoppers. They are available at all price levels, with particular emphasis in the critical £3.00 to £4.00 range. U.S. wineries, however, are following a different pricing strategy. By maintaining higher prices, most U.S. wineries are restricting their sales to the high-profile, low-volume restaurant and hotel segment. E & J Gallo, the major U.S. shipper to the UK, is the one exception. By pricing its wine near £4.00 per bottle, Gallo has largely targeted the retail market and is essentially the only U.S. brand carried by the larger chains. The conscious decision of most wineries to showcase their products with Europe's best may maximize profits for individual U.S. wineries, but it is likely to slow further expansion of total U.S. sales to the market.

Japan's Recession Slows Sales but Spurs New Opportunities

Japan is the third largest export market for U.S. wines. From 1984 to 1992, U.S. exports grew on average 35 percent each year. However their share of the total wine market fell from 10 to 6 percent because sales of lower-priced European wines grew faster. Then the recession struck. In 1993, U.S. sales plummeted 40 percent and the Wine Institute estimates that market share may have dropped another 1-2 percent. This year, sales are expected to recover slightly.

The wine marketing structure, like those for other products, is undergoing rapid change in Japan. This change is being accelerated by the recession. Firms are cutting company expenses which reduces restaurant purchases, and consumers are increasingly looking for bargains at new discount stores. As a result, there was a negative impact on sales of Californian premium wines which targeted restaurants and the traditional retailers affiliated with the large Japanese breweries, such as

Suntory and Kirin. As new retail discount stores have increased their share of the market, wines sold under labels owned by Japan's beer companies have fallen because these companies shifted their efforts to their core businesses. As a result, California wineries selling to the big Japanese beer companies saw their sales plummet.

These shifts in the relative importance of different market segments and consumer purchasing behavior are expected to have a beneficial impact on Japan's wine market. The introduction of less expensive wines, many of which are now available at 600¥ per bottle (current exchange rate is US$1=97¥), is expected to boost overall consumption as the economy recovers. U.S. industry marketing efforts are evolving to take advantage of this new reality. Much of the effort still focuses on expanding sales of higher-priced premium varietals. However, promotional contests at department and discount stores were organized for the first time last year.

Changing Retail Systems Aid Sales Prospects in Emerging Markets

The arrival of hypermarket and supermarket chains offers new opportunities to market larger volumes to the growing segment of middle-class consumers in many countries. This is especially evident in Taiwan, Hong Kong and Singapore, the major emerging markets for wine in Asia. Retail chains in these countries, which are rapidly increasing in number, offer the advantages of centralized distribution systems, price discounting, and large shelf space for beverages. They are always looking for new products to attract more customers, and U.S. winegrowers are well advised to pay attention to these new outlets.

Geography, Know How & Innovation are the Hallmarks of Industry Strength

The U.S. wine industry is dominated by Californian wineries which currently account for 95 percent of U.S. exports. The state's diverse set of micro-climates and wine-making knowledge built up over generations, makes California one of the world's great wine-making regions. California's wine industry is capable of sustaining large-scale, worldwide marketing efforts due to the large size of the industry. The membership of The Wine Institute, the association that focuses much of the effort, currently accounts for over 80 percent of the state's commercial vintage.

Following California, New York is the next largest wine-making region, but accounts for less than one percent of U.S. exports. Relative newcomers, the Pacific Northwest winegrowers of Washington, Oregon and Idaho arrived on the market in the early-1970s, and now account for about 3 percent of total exports. The region's winegrowers have passed through an intense period of experimentation and now consistently produce many world-class wines.

The U.S. wine industry is dynamic and innovative. It has taken the lead in consumer education and promotion, sparking the shift in domestic demand from table wines to the premium varietals. U.S. winegrowers recognized early the advantages of labelling wine according to its variety, providing information on its characteristics, and offering serving suggestions. The industry is also known for its readiness to experiment with new wine blending and vineyard care techniques. Growers experiment with new pruning methods and vine support systems to boost yields, and organic cultivation is increasingly used to reduce costs and increase bearing capacity in the long term. Many growers hope to use the organic label as a marketing tool in the future.

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GATT Agreement Would Brighten U.S. Sales Opportunities

The U.S. wine industry has everything to gain from the GATT Agreement, but relief is not just around the corner. Assuming the major players ratify the agreement by mid-1995, the process of phasing in cuts on grower subsidies and import tariffs will not begin until 2001. The EU promised to reduce subsidies to its winegrowers by 21 percent over a six-year period. On import tariffs, developed countries committed to a minimum cut of 15 percent, while Japan agreed to a 29 percent cut. The figure for developing countries is 10 percent.

Feature Story: Snapshot of the GATT Agreement for Pacific Rim Markets

This month, as the long awaited Uruguay Round Agreement approaches the finish line, Agricultural Trade Highlights takes a detailed look at the outcome of the negotiations for the Pacific Rim. With U.S. Congressional approval likely to come later this year, passage of the GATT agreement would mean expanded growth opportunities for what is already the largest and fastest growing region for U.S. agricultural exports.

By Teresa Howes

U.S. agricultural exports to the Pacific Rim reached a record of nearly $16 billion in 1993. The region now accounts for more than one-third of total U.S. shipments. On the global front, Pacific Rim countries imported nearly $67 billion in agricultural products as recently as 1992, an increase of 75 percent over the last 6 years. The United States is the leading supplier, with a 24-percent market share.

Consumer foods have been the fastest growing sector of both U.S. exports and global imports for the region. These trends can be attributed to strong income growth, changing tastes and preferences, recent trade liberalization, and a lower U.S. dollar. Given these trends, implementation of the Uruguay Round Agreement should result in tremendous growth in the Pacific Rim region.

During the Uruguay Round, the United States obtained significant market access concessions from Pacific Rim countries in the form of tariff reductions, quota growth and elimination of import bans. Under the new agreement, Asian countries will not be able to expand trade-distorting domestic support provided for agriculture.

In addition, the region has committed not to use export subsidies from 1995 on, except for Australia, which will limit the use of export subsidies to pears and dairy items, Indonesia, which will limit the use of export subsidies to rice, and New Zealand, which will eliminate export subsidies by the year 2000. Cuts in export subsidies by major U.S. competitors, most significantly by the European Union, will also reduce the level of unfair competition in Asian markets. Perhaps even more important for the future is the discipline the Uruguay Round will apply to other large U.S. trading partners in the Pacific Rim that are currently outside the GATT, specifically China and Taiwan.

Details of the agreement by market for a variety of agricultural products are outlined as follows:

JAPAN

<u>Rice:</u> Japan will lift its rice import ban and establish an import quota for 379,000 tons of rice in the year 1995, which will increase to 758,000 tons in the year 2000.

<u>Wheat:</u> Japan will expand its current 5,530,000-ton import quota for wheat by 35,000 tons annually, for a final tariff-rate quota of 5,740,000 tons in the year 2000. Japan will also reduce its state-trading mark-up on wheat by 15% over the implementation period.

<u>Corn and Barley:</u> Japan will increase its current 3,750,000-ton zero-duty quota for industrial-use corn by 450,000 tons by the year 2000, with the increased amounts to be imported under the "new-use" category. 330,000 tons of this increase, or 60% of the total new-use quota, will be free from the blending requirement. Japan will also increase its current 1,318,000-ton import quota for barley by 8,500 tons each year of the implementation period, for a final tariff-rate quota of 1,369,000 tons in the year 2000.

<u>Beef:</u> Japan will reduce its beef tariff from 50% to 38.5%, subject to a special safeguard provision.

<u>Pork:</u> Japan will reduce its gate price to 524 yen/kg., a 29% reduction from the average 1986-88 gate price.

<u>Eggs:</u> Japan will reduce the duty on dried egg yolks from 25% to 18.8%. The tariff for frozen egg yolks will be reduced from 25% to 20%.

<u>Dairy:</u> Japan will establish a 3,000-ton quota for whey powder which will grow to 4,500 tons at the end of six years, and a 2,200-ton quota for ice cream mix powder which will grow to 3,700 tons at the end of six years. Japan will reduce the tariff on frozen pizza cheese by 36%, the tariffs on ice cream, grated cheese, and frozen yogurt by 25%, and the in-quota tariff on ice cream mix powder by 25%.

<u>Fruits and Vegetables:</u> Japan will reduce the duty on canned peaches from 14.4% to 8%, fruit cocktail from 11.2% to 6%, and frozen peaches to 7%. The tariff on prune juice will be reduced from 22.5% to 14.4%. The duty on frozen prepared sweet corn will be reduced from 12.5% to 7.5%. Likewise, the duty on canned sweet corn will be reduced from 12.5% to 10%.

<u>Wine:</u> Japan's wine duty will be reduced from the lesser of 21.3% or 156.8 yen/liter to the lesser of 15% or 125 yen/liter. The minimum customs duty for these wines has also been reduced from 93 yen/liter to 67 yen/liter.

<u>Citrus:</u> Japan will reduce the in-season tariff on oranges from 40% to 32% and the out-of-season tariff from 20% to 16%. By the year 2000, Japan will also eliminate the seasonal distinction and lower the year-round duty on fresh grapefruit to 10%.

<u>Sugar-Containing Products:</u> Japan will reduce its tariff on candies, caramels and other sugar confectionery from 35% to 25%.

...Snapshot of the GATT Agreement

Tobacco Products: Japan will continue to apply a zero duty on cigarettes consistent with the current agreement between the United States and Japan. Japan will reduce the duty on cigars from 20% to 16%.

Oilseeds: Japan will reduce its tariff on soybean and rapeseed oil by 36% and the duties on sunflower, safflower, corn and cottonseed oil by 50%.

KOREA

Rice: Korea will lift its import ban on rice and establish a quota for 51,307 tons in 1995 increasing to 102,614 tons in 1999. The final quota amount in 2004 will be 205,228 tons.

Wheat: Korea will reduce the tariff on wheat, other than durum, from the current applied rate of 3% to a final rate of 1.8%. Korea will also reduce the tariff on wheat flour from the current applied rate of 7% to a final rate of 4.2%.

Feed Grains: Korea will reduce the in-quota tariff on feed corn and popcorn from an applied rate of 3% to a final rate of 1.8% over 10 years. The tariff-rate quota for these and other corn products (excluding seed but including groats and meal, corn starch and dried sweet corn) will be 6,102,100 tons. Inclusion of groats and meal, corn starch and dried sweet corn in the aggregate corn quota will translate into an immediate tariff reduction for these products, since the in-quota tariff rate for corn other than feed corn and popcorn will be 3%. Korea will also reduce the tariffs on mixed feeds for swine, poultry, and cattle from 7% to 4.2%. Korea will establish a tariff-rate quota for barley and barley products, other than malting barley and barley malt, of 14,150 tons growing to 23,582 tons.

Beef: Korea will gradually expand its minimum import quota for beef from the current 106,000-ton quota to 225,000 tons by the year 2000, while at the same time expanding the proportion of the quota imported through the simultaneous buy/sell system and reducing the mark-up. In January 2001, Korea will remove all non-tariff barriers to beef imports, including state trading. The tariff will be set at 44% in 1995, and reduced to 40% by the year 2004. Korea will also fully liberalize beef jerky at a 30% tariff and beef offal at a 20% tariff by July 1, 1997.

Pork: Korea will open a quota for frozen pork of 21,930 tons in 1995, 29,240 tons in 1996, and 18,275 tons for the first half of 1997. These imports will be subject to tariff of 25%. On July 1, 1977 Korea will eliminate all quantitative restrictions on frozen pork imports and replace the quota with a tariff of 33.4% for all frozen pork. This tariff will be reduced in equal annual installments to 25% by the year 2004. The 25% tariff on fresh and chilled pork, which was liberalized on January 1, 1994, will be reduced to 22.5%. Korea will also reduce the tariff on pork sausage, including hotdogs, to 18%.

Poultry: Korea will establish a quota with a tariff of 20% for 7,700 tons of frozen chicken in 1995, 10,400 tons in 1996, and 6,500 tons for the first half of 1997. On July 1, 1997, Korea will eliminate all quantitative restrictions on frozen chicken imports and replace the quota with a tariff of 30.5% for all frozen chicken. This tariff will be reduced to 20% by the year 2004. The 20% tariff on fresh and chilled chicken cuts (liberalized on January 1, 1994) and fresh and chilled whole chickens will be reduced to 18%.

Dairy: Korea will establish a 23,000-ton quota for whey in 1995 that will increase by 10% annually over ten years, with an in-quota tariff of 20% and an over-quota tariff of 99% that will be reduced to 49.5% over 10 years. Korea will also fully liberalize imports of all types of cheese, infant formula and other dairy food preparations (including ice cream mix powder) on January 1, 1995, at a tariff of 40% which will be reduced to 36% over ten years.

Fruit and Vegetables: Korea will lift its import ban on fresh apples, grape juice, and fruit drinks in 1995 and fresh grapes and apple juice in 1996. The tariffs on these products will be reduced from 50% to 45% over ten years. Korea will reduce tariffs on the following products by 40% from the 1993 applied rates (final rates in parentheses): almonds and raisins (21%); walnuts (30%); fresh cherries (24%); prunes and frozen french fries (18%); and canned sweet corn (15%). Korea will remove the ban on fresh potatoes and establish a tariff-rate quota.

Citrus: Korea will establish a quota for oranges of 15,000 tons in 1995, 20,000 tons in 1996, and 25,000 tons in 1997. The quota will be expanded thereafter by 12.5% annually. The in-quota duty will be 50%. On July 1, 1997, Korea will establish an out-of-quota tariff for oranges at 89%, which will be reduced to 50% by the year 2004. Korea will completely liberalize orange juice at a tariff rate of 60% on July 1, 1997. Interim quotas for orange juice will be established at 50,000 tons in 1995, 55,000 tons in 1996 and 30,000 tons for the first six months of 1997. The tariff on these interim quotas will be 50%. Korea will reduce tariffs on lemons, limes, grapefruit and grapefruit juice by 40% from the applied tariff rate, resulting in a 30% final tariff rate for these products.

Processed Foods: Korea will remove its ban on potato flour, meal, pellets and flakes and establish a tariff-rate quota for those products of 60 tons. The in-quota tariff will be reduced from the current statutory rate of 9% to a final rate of 5.4%. Korea will reduce its tariff on soups and broths from 30% to 18%. Korea will reduce the tariffs on breakfast cereals from 9% to 5.4% and on mixed feeds for swine, poultry and cattle from 7% to 4.2%.

Oilseeds: Korea will reduce its tariff on soybean and cottonseed oil from 9% to 5.4%, an 82% reduction from the bound rate of 30%, and will reduce its tariff for sunflower oil from 30% to 18%. Korea also will cut the tariff on soybean meal from 3% to 1.8%.

representing a 91% cut from the bound rate of 20%.

Peanuts: Korea will reduce the in-quota tariff for shelled peanuts from 40% to 24%. Korea will liberalize roasted peanuts on July 1, 1996.

Cotton: Korea will reduce its tariff binding to 2%, the currently applied rate, from its GATT-bound level of 10%.

Korea has a long history of using unjustified food safety and animal and health measures as disguised barriers to trade. However, it will no longer be able to do so under the Agreement on Sanitary and Phytosanitary Measures, which requires that all health-related measures restricting imports be based on science.

HONG KONG AND MACAU

Hong Kong and Macau will bind (as formal GATT commitments) all agricultural tariffs at zero.

SINGAPORE

Singapore will bind most of its final tariffs at 10% except for alcohol and tobacco products. For a limited number of commodities, Singapore will bind the initial tariff at zero. These include frozen, canned, and otherwise processed sweet corn, potato chips, protein concentrates, artificial sweeteners, peptones, and several processed products containing dairy products. Singapore will bind the final tariffs at zero for beef, other than carcasses, lamb carcasses and sheep meat with bone-in, powdered milk and cream, butter milk, butter, frozen peas, frozen mixed vegetables, and fresh apples.

INDONESIA

Indonesia bound most of the final tariffs in its schedule at 27% to 60%, except for rice and some dairy items for which it has tariff quotas, and alcoholic beverages. The tariffs on cereal flours, other than wheat or meslin, will be bound at 9%.

Soybean Meal: Within three years Indonesia will eliminate its current blending requirement for soybean meal. This could eventually open a substantial market for U.S. oilseed exports. Indonesia will bind the final tariff for soybean meal at 30%.

MALAYSIA

Malaysia will bind the final tariffs for a wide range of products such as raisins, oranges, peanut oil, millet and cotton at the current applied rates. For a large number of other products, Malaysia will make reductions from the applied tariffs. These include:

Dairy: Malaysia will reduce its tariffs on yogurt, buttermilk, kephir and fermented cream, flavored other than with chocolate, from 35% to 10% and will reduce the tariffs on those containing cocoa from the higher of 40% or Malaysian $5/kg to 10%. It will reduce its tariffs on all cheese types other than fresh from 20% to 10%.

Nuts: Malaysia will reduce the tariffs on almonds, walnuts, hazelnuts, chestnuts and pistachios from just over 5% to zero. The tariff for roasted nuts, other than peanuts, will be reduced from 30% to 20%.

Processed Foods: The duty for canned peaches will be reduced to 15%, while the duty for apple juice will be reduced from 30% to 20%. The tariffs for herbal tea and other food preparations not elsewhere specified will be reduced from the current applied rate of 25% to 15%.

Oilseeds: The tariff for protein concentrates will be reduced from the current applied rate of 25% to 15%.

PHILIPPINES

Rice: The Philippines will establish a tariff-rate quota for rice that will grow to 238,940 tons by the end of the implementation period.

Corn: The Philippines, which currently bans imports will establish a tariff-rate quota starting at 130,160 MT which will grow to 216,940 MT during the implementation period. The in-quota tariff will be 35%.

Beef: The Philippines will reduce its beef tariff from 60% to 35% by the end of the implementation period in 2004.

Pork: The Philippines will open a tariff-rate quota of 32,000 tons, increasing to 54,000 tons by the end of the implementation period in the year 2004. The in-quota tariff will be 30%. Previously, pork faced an import ban in the Philippines.

Poultry: The Philippines will open a tariff-rate quota for chicken of 14,000 tons, increasing to 23,500 tons by the year 2004; the in-quota tariff will be 50%. Previously, imports of chicken meat were banned. The Philippines will also cut the tariff on frozen turkey from 50% to 35%.

Fruits and Vegetables: The Philippines will lower the tariffs on fresh grapes and pears from the current applied rate of 50% to 35%. It will also reduce the tariff for raisins and apples from 50% to 45%. The Philippines will lower its tariffs on canned peaches and canned fruit mixtures from the current applied rate of 50% to 35%. It will also reduce the tariff for canned sweet corn from 50% to 45%.

Sugar-Containing Products: The Philippines will reduce its tariff for sweetened cocoa powder from 50% to 35%, and its tariff for sugar confectionery from 50% to 45%.

Tobacco and Tobacco Containing Products: The Philippines has agreed to reduce the tariff on Virginia and other tobacco, cigars and cigarettes from 50% to 45%.

Oilseeds: The Philippines will cut in half its tariff on soybean meal, reducing it from 10% to 5%. The Philippines will also reduce its tariff on soybeans from 10% to 9%.

...Snapshot of the GATT Agreement

THAILAND

Thailand is one of the few so-called developing countries to make cuts across the board from applied rates. Thailand also committed to limit the application of its specific tariffs to the ad valorem levels bound in its schedule. For many products this will result in an immediate and substantial cut in applied tariffs.

Beef: Thailand will reduce its beef tariff from 60% to 50% during the ten-year implementation period. Thailand will also cut the tariffs on beef offals from 60% to 30%.

Pork: Thailand will cut its tariffs on frozen carcasses, most pork cuts, and sausages and similar products from 60% to 30% during the ten-year implementation period. Thailand will reduce its tariffs on fresh and chilled carcasses, and frozen hams and shoulder cuts from 60% to 40%.

Poultry: Thailand will cut the tariff on fresh, chilled or frozen turkeys from 60% to 30%.

Dairy: Thailand will cut its tariffs on cheese in half, to 30% or 10 baht/kg, during the ten-year implementation period.

Fruits and Vegetables: Thailand will cut in half the tariffs on walnuts, grapes, raisins, roasted almonds, tomato juice, french fries, canned sweet corn, pears, kiwifruit, frozen peaches, fruit juice mixtures and vegetable juice mixtures. Thailand will cut by one-third the tariffs on cherries and prunes.

Citrus: Thailand will reduce its tariff for sweet oranges by half to 30% or 25 baht/kg and will reduce the tariffs on all other fresh citrus by one-third to 40% or 33.5 baht/kg. The tariffs on citrus juices will be reduced by one-third to 40% or 13.4 baht/liter.

Sugar-Containing Products: Thailand will reduce tariffs on sugar confectionery and chocolate by one-third to 40% or 33.5 baht/kg except for other chocolate, which will be reduced by two-thirds to 20% or 16.67 baht/kg. Thailand will cut its tariffs on maple sugar and syrup and molasses containing added color or flavor from 65 to 30%.

Processed Products: (final tariffs in parentheses): Thailand will cut in half its tariffs on sausages and similar products, french fries, potato chips and other processed potato products, all prepared and preserved nuts, most canned fruit, and all canned vegetables except sauer kraut (30% or 25 baht/kg); pasta, vegetable juice including tomato, and fruit juice mixtures (30% or 10 baht/kg); tomato sauces including ketchup (30% or 7.5 baht/kg); and mustard (30% or 12.5 baht/kg). Thailand will cut by two-thirds its tariffs on soups and broths (20% or 3.5 baht/kg); breakfast cereals, sweet biscuits, waffles and wafers (20% or 16.67 baht/kg), and miscellaneous edible preparations, including soft drink concentrates (20%).

Oilseeds: Over its 10-year implementation period, Thailand will cut in half the tariffs on protein concentrates (HS code 2106.10), edible shelled sunflower seeds, margarine and other edible mixtures of fats and oils.

Peanuts: Thailand will cut the tariff on peanut butter and edible peanuts in half to 30% or 25 baht/kg for peanut butter and 30% or 1.5 baht/kg for edible peanuts.

Cotton : Thailand will reduce its tariff on cotton from 5% to 4.5%.

AUSTRALIA

As a developed country, Australia's current tariffs on agricultural products are already low, ranging, in general, from zero to 10%. During the time period covered by the Uruguay Round negotiations, Australia undertook unilateral market-liberalization measures, reducing tariffs significantly on many agricultural products of U.S. interest. In the context of the Uruguay Round, Australia agreed to bind the new, lower tariffs on a number of these products, including frozen sweet corn, dried onion and garlic, shelled almonds, prunes, and mixes and doughs (all at 5%) and other food preparations, including beverage bases, (at 4%). In addition, the Agreement on Sanitary and Phytosanitary Measures will require Australia to justify its current sanitary restrictions on imports of poultry and certain meat products of the basis of science.

NEW ZEALAND

Processed Foods: New Zealand will reduce the tariffs on dried onions to 10.5%, potato flakes to 10%, prepared or preserved turkey meat to 9.5%, food preparations from cereals to 10.5% and the tariffs on pet foods for retail sale to 9.5% and 10.5%.

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Trade Policy Updates

United States and Canada Fill Mexican Tariff-rate Quotas for Pork

On July 27, 1994, Mexico announced that two tariff-rate quotas (TRQ) stipulated in NAFTA for certain U.S. pork items were filled. The TRQ's cited were for 2,100 tons and 300 tons of U.S. pork (02031999 and 02101101 of the Mexican Tariff Schedule, respectively). On the same day, Canada satisfied a 500-ton TRQ for a larger set of pork products (0210 items). For the remainder of 1994, a 1-2 percent higher, over-quota duty will be assessed on these products. From January to May 1994, U.S. pork exports to Mexico, the second largest foreign market for U.S. pork, were 16,475 tons ($32 million), up 60 percent from the same period in 1993. These higher duties should not appreciably impact the pace of U.S. pork exports to Mexico.

NAFTA Safeguard Quotas Filled for Frozen Potato Products

The Mexican Department of Commerce (SECOFI) announced on August 3 that NAFTA tariff rate quotas for frozen whole potatoes (1,800 tons and 13.5%) and frozen french fries (3,100 tons and 18%) have been filled, triggering application of the higher MFN rate of duty on imports from the United States. Mexico's import duties have been increased to 15% and 20%, respectively. The U.S. potato industry actively pursued an accelerated reduction of the NAFTA duty on these and other potato products, citing significant export potential to Mexico and comparatively lower U.S. duties.

Japan Ag Ministry Signals Finalization of Apple Accord Imminent

The Ministry of Agriculture, Forestry, and Fisheries of Japan announced on Aug 19 that the phytosanitary ban on the importation of American apples would be lifted on Monday August 22. Ministry of Agriculture inspectors departed from Tokyo on August 23 to begin the harvest inspection in the State of Washington.

Pakistan Likely to Import Soybeans Now That Duties Are Eliminated

On August 8, 1994, the government of Pakistan lifted all import charges and duties on soybeans. Elimination of the 10-percent ad valorem statutory duty, the 6 percent license fee, the 5-percent Iqra tax, and the 1-percent Flood Relief tax will cut the landed cost of U.S. soybeans $55 per ton. In addition, the installation of five modern multi-seed crushing plants in Pakistan, with total estimated daily crush capacity more than 1,100 tons, makes Pakistan a potential customer for imports of U.S. soybeans. The world's third largest edible oil importer may now import larger quantities of soybeans and sunflowerseed to reduce its meal and oil deficit. In MY 1993/94, Pakistan imported 200,000 tons of soybean oil from all sources, 72,000 from the United States.

Market Updates

Australia's Wheat Output Forecast Lower on Dry Weather

Australia's wheat crop is forecast at 12.9 million tons, down from an earlier forecast of 15.5 million, according to the U.S. Agricultural Counselor in Canberra. This is a significant reduction from the bumper crop of 17.9 million tons achieved last year. Dry conditions in the key eastern producing states of Queensland and New South Wales occurred throughout the 1994 planting period, and the effective window for wheat sowing has now passed. The drought hit hardest in the heart of the prime hard wheat production belt. The Australian Meteorological Service indicated that drier than normal conditions are likely to persist in this region through the August/September period. Concern has been raised over adequate supplies of prime hard wheat to meet both domestic and export commitments, especially to Japan.

Foreign Exchange Restrictions Slash Nigerian Wheat Imports

According to the U.S. Agricultural Attache in Lagos, Nigeria's 1994/95 marketing year wheat imports are expected to decline by approximately 400,000 tons, from his earlier 1.2 million ton import estimate. This 33 percent projected reduction is due to reimposition of tight foreign exchange controls. Nigeria's milling industry received only 7.5 percent of the foreign exchange it sought to purchase wheat imports during April and May. As a result, the milling industry has consumed its inventory of wheat and the draw down of stocks has led to price increases of more than 30 percent for retail bread consumers in recent weeks. The milling industry is currently operating at about 10 percent of capacity, while commercial baking costs have nearly doubled in the past month. Nigerian mills purchased 1.1 million tons of U.S. wheat under the 1993/94 EEP allocation.

Brazilian Wheat Import Surge Anticipated

Brazil's wheat duty structure favors Argentina and, as of September 1, that preference will widen on a seasonal basis to coincide with the marketing of the Argentine and domestic crop. Currently, wheat from Mercosul origins is exempt from the 25-percent tax on ocean freight, and is subject to a 0.89 percent import duty. In addition to the maritime tax, imports from non-Mercosul countries are subject to a 10 percent import duty, increasing to an average of 17 percent September through January. Market observers expect a buying surge before the new duty becomes effective. Sources report that 35,000 tons of "excellent quality" Australian wheat is now being negotiated, which would be the first Australian sale to this market in recent history. Import licenses authorizing purchases for 60 days may have been issued for 1.3 million tons of German wheat. Thus far, the United States has not sold any wheat to Brazil this season.

Canola Insect Control Strategies Studied

Demand for edible oilseed rape oil (canola) in the U.S. is currently about 1 billion pounds and is expected to increase. For U.S. producers to meet domestic demand, more expertise in producing the crop is needed. Europeans have many more years experience with oilseed rape than U.S producers, and thus are ahead in developing insect management practices for this crop's associated pests.

In early June, Dr. Michael J. Weiss, North Dakota State University, obtained and exchanged information on insect management strategies for canola (oilseed rape) during visits with colleagues at the Swedish University of Agricultural Sciences, Uppsala and Svalöf-Weibull Seed Co. He also visited canola insect experts at the University of Helsinki, Finland and the Scottish Agricultural College, Edinburgh on this trip. Dr. Weiss' hosts shared their experiences in several techniques. These strategies are expected increase the productivity of U.S. research on integrated pest management for oilseed pests. He also obtained much information on the ecology of ground beetles as general predators of insect pests--a field in which the Europeans are very far ahead of us.

Market Updates

EU Increases Aid to Durum Producers

French durum production could expand by some 25 percent next year. There are new provisions for special aid to producers of $167 per hectare ($38 per ton) included in the 1995/96 price package. Producers on 50,000 hectares of well-established durum acreage outside of traditional durum growing areas will be eligible for this payment. Producers in traditional durum-producing regions will be eligible for a subsidy of about $435 per hectare, about $100 per ton. The French view this aid to producers as a vehicle to ease perceived domestic supply shortages. In fact, France is a durum exporter of at least 500,000 tons, even under the discipline of CAP reform. This program will ensure continued subsidized EU presence in the world market for durum.

Mexico Opens Market to California Citrus

Mexico's quarantine agency reportedly agreed on July 27 to begin issuing phytosanitary import permits for citrus originating from non-quarantined production zones in California, a development that would open a promising new market for U.S. exporters. As the market opening applies only to California, other citrus producing states, notably Arizona, Texas and Florida, will continue to be denied access pending resolution of outstanding quarantine concerns. Anticipated visits by Mexican quarantine officials to the other key citrus-producing states could provide the basis for approval of additional geographical areas in the near future. One California citrus industry contact indicated that sales to Mexico could reach $5 million in the next full marketing season and eventually grow to $30 million annually within the next few years

U.S. Sanctions Expected to Affect Corn Exports to Taiwan

Taiwan has begun to import non-U.S. corn in response to planned U.S. trade sanctions over wildlife conservation issues. Taiwan is expected to double its normal (250,000 tons) barley imports to further displace U.S. corn. Recently, Taiwan purchased 32,000 tons of corn from South Africa at a price $15 per ton higher than the United States, reportedly to establish commercial relations between the countries. Taiwan imports over 5 million tons of corn annually; traditionally, the United States has supplied over 95 percent.

U.S. Exports of Agricultural, Fish & Wood Products to All Countries

Calendar Years 1989 to 1994 and Year-to-Date Comparisons
(Thousands of Dollars)

Product	Calendar Years 1989	1990	1991	1992	1993	January-June 1993	1994	% Chg
Bulk Agricultural Total	22,813,257	20,232,083	18,348,386	19,687,248	18,593,458	9,826,651	9,039,268	-8.0
Wheat	5,886,505	3,839,037	3,292,138	4,449,324	4,664,582	2,435,124	1,886,640	-22.5
Coarse Grains	7,738,137	7,036,717	5,722,597	5,736,599	5,000,598	2,580,547	2,132,269	-17.4
Rice	971,123	801,527	753,557	726,072	771,312	383,256	499,796	30.4
Soybeans	3,942,468	3,549,508	3,956,443	4,380,402	4,598,746	2,443,852	2,024,532	-17.2
Cotton	2,268,501	2,798,495	2,491,999	2,010,338	1,540,678	884,072	1,389,095	57.1
Tobacco	1,301,173	1,441,116	1,427,631	1,650,559 *	1,306,067	757,767	754,236	-0.5
Pulses	298,404	353,111	268,414	191,656	213,254	97,245	106,148	9.2
Peanuts	192,670	203,373	180,304	240,308	204,576	102,075	70,551	-30.9
Other Bulk Commodities	214,275	209,199	255,304	301,989	293,645	142,714	176,001	23.3
Intermediate Agricultural Total	8,645,875	8,573,907	8,789,224	9,231,134 *	8,973,466	4,529,305	4,547,796	0.4
Wheat Flour	257,937	182,958	184,258	184,317	205,729	128,410	105,881	-17.5
Soybean Meal	1,212,295	1,005,103	1,155,307	1,294,722	1,132,041	631,790	475,668	-24.7
Soybean Oil	358,723	312,930	222,128	376,202	363,897	168,977	168,400	-0.3
Other Vegetable Oils	423,994	394,790	418,144	502,732	543,897 *	264,904	274,441	3.6
Feeds & Fodders (excl. pet foods)	1,596,995	1,572,369	1,605,732	1,722,327	1,744,183 *	889,833	862,991	-3.0
Live Animals	490,501	513,783	686,563 *	607,891	518,927	203,714	233,579	14.7
Hides & Skins	1,698,164	1,729,731	1,357,570	1,328,054	1,268,658	648,485	725,196	12.2
Animal Fats	510,153	428,729	428,824	515,214	501,702	244,107	281,410	7.1
Planting Seeds	510,214	586,723	671,855	675,011 *	819,359	331,509	333,200	0.5
Sugars, Sweeteners & Bever. Bases	409,196	572,052	834,101	573,921	567,807	259,884	318,283	21.7
Other Intermediate Products	1,179,702	1,272,743	1,428,948	1,452,744	1,507,288 *	759,895	790,788	4.1
Consumer-Oriented Agricultural Total	8,379,789	10,485,815	11,967,920	13,895,994	14,911,316 *	7,083,475	7,838,553	10.7
Snack Foods (excluding nuts)	364,429	530,125	633,040	829,879	1,024,643 *	451,134	497,968	10.4
Breakfast Cereals & Pancake Mix	91,881	157,882	216,802	219,782	252,993 *	123,994	140,817	13.6
Red Meats, Chilled/Frozen	2,213,602	2,394,495	2,660,267	3,112,361 *	3,055,222	1,518,524	1,556,709	2.8
Red Meats, Prepared/Preserved	100,638	135,996	165,101	181,562	220,038 *	95,171	113,157	18.9
Poultry Meat	509,426	672,888	817,913	928,464	1,100,613 *	470,490	705,105	49.9
Dairy Products	430,741	328,053	482,956	793,754	857,487 *	398,887	366,782	-7.5
Eggs & Products	90,685	101,979	143,387	139,234	139,436	66,203	75,842	14.3
Fresh Fruit	1,134,657	1,488,489	1,561,053	1,683,344	1,707,147 *	813,439	938,566	15.1
Fresh Vegetables	356,015	728,646	832,935	699,624	965,953 *	577,985	539,877	-6.8
Processed Fruit & Vegetables	1,003,616	1,248,753	1,394,490	1,556,121	1,639,583 *	772,111	788,074	1.8
Fruit & Vegetable Juices	291,248	375,497	385,414	461,017	469,517 *	248,517	260,002	5.5
Tree Nuts	883,332	801,120	867,704	928,531	998,246 *	387,399	489,095	27.7
Wine and Beer	206,095	266,202	315,756	369,181	379,301 *	184,520	244,426	32.5
Nursery Products & Cut Flowers	104,887	188,741	201,442	201,321	209,397 *	119,992	109,955	-8.4
Pet Foods, Dog/Cat	175,539	244,038	329,772	399,830	497,621 *	235,279	272,320	15.7
Other Consumer-Oriented Products	622,997	808,706	979,907	1,190,410	1,374,116 *	648,049	764,257	18.3
Wood Products Total	8,013,514	6,481,227	6,429,179	8,741,685	7,281,313 *	3,868,963	3,434,785	-11.2
Logs	2,366,026	2,388,921	2,074,432	2,140,010	2,489,580 *	1,427,990	1,094,374	-23.4
Lumber	2,040,251	2,127,895	2,203,353	2,322,491	2,449,843 *	1,271,612	1,229,394	-3.3
Plywood & Panel Products	642,703	769,983	735,227	847,867	906,397 *	456,395	460,445	0.9
Other Wood Products	962,534	1,194,426	1,418,167	1,431,317	1,435,714 *	710,965	850,571	-8.5
Fish & Seafood Products Total (Edible)	2,283,151	2,776,759	3,035,383	3,353,935 *	2,959,086	1,414,930	1,310,497	-7.4
Salmon, Whole/Eviscerated	729,294	668,562	438,975	681,663	583,060	95,900	51,123	-46.7
Salmon, Canned	69,744	104,276	133,644	154,401	160,418 *	76,172	57,525	-24.5
Crab & Crabmeat	253,874	363,251	431,411	448,050 *	417,680	299,668	251,783	-18.0
Surimi (fish paste)	N/A	N/A	N/A	367,627 *	274,322	123,423	128,059	3.8
Roe & Urchin	283,246	289,458	389,031	421,396 *	415,319	199,822	195,088	-2.4
Other Edible Fish & Seafood Products	947,192	1,353,193	1,644,322 *	1,280,798	1,108,309	619,945	626,919	1.1
Agricultural Product Total	39,838,921	39,271,605	39,105,530	42,614,378	42,478,240	21,439,431	21,425,617	-0.1
Agricultural, Fish & Wood Product Total	48,135,586	48,529,591	48,570,092	52,909,996 *	52,718,839	26,721,324	28,170,899	-2.1

Note: (*) Highest export level since at least 1970.
N/A = not available.

U.S. Agricultural, Fish & Wood Product Exports by Major Commodity Group

Monthly and Annual Performance Indicators

Export Values	June 1993	June 1994	Change	October–June FY '93	October–June FY '94	Change	Fiscal Year 1993	Fiscal Year 1994(f)	Change
	–$Billion–			–$Billion–			–$Billion–		
Grains and Feeds 1/	0.984	0.933	–5%	11.211	10.258	–9%	14.332	13.1	–9%
Wheat & Flour	0.328	0.276	–16%	3.859	3.204	–17%	4.954	4.2	–15%
Rice	0.069	0.076	10%	0.589	0.708	20%	0.768	1.0	30%
Coarse Grains 2/	0.310	0.287	–7%	4.087	3.545	–13%	5.094	4.3	–16%
Corn	0.287	0.257	–10%	3.379	2.966	–12%	4.251	3.7	–13%
Feeds & Fodders	0.171	0.175	2%	1.675	1.732	3%	2.196	2.2	0%
Oilseeds and Products	0.430	0.350	–18%	6.182	5.638	–9%	7.371	6.8	–8%
Soybeans	0.249	0.191	–23%	3.941	3.514	–11%	4.606	4.1	–11%
Soybean Cakes & Meals	0.062	0.049	–21%	0.976	0.806	–17%	1.146	0.9	–21%
Soybean Oil	0.018	0.014	–23%	0.260	0.296	14%	0.327	0.3	–8%
Other Vegetable Oils	0.036	0.044	21%	0.380	0.437	15%	0.496	NA	NA
Livestock Products	0.527	0.519	–2%	4.442	4.616	4%	5.886	6.1	4%
Red Meats	0.301	0.255	–15%	2.282	2.325	2%	3.052	3.1	2%
Hides, Skins & Furs	0.105	0.131	25%	0.951	1.027	8%	1.271	1.3	2%
Poultry Products	0.103	0.162	57%	0.957	1.266	32%	1.315	1.6	22%
Poultry Meat	0.076	0.132	73%	0.715	1.019	42%	0.994	NA	NA
Dairy Products	0.058	0.060	3%	0.653	0.642	–2%	0.891	0.9	1%
Unmanufactured Tobacco	0.137	0.093	–32%	1.215	1.075	–12%	1.443	1.2	–17%
Cotton and Linters	0.112	0.267	137%	1.265	1.774	40%	1.538	2.5	63%
Planting Seeds	0.022	0.024	9%	0.558	0.515	–8%	0.664	0.6	–10%
Horticultural Products	0.626	0.744	19%	5.500	6.017	9%	7.299	7.9	8%
Sugar & Tropical Products	0.131	0.146	11%	1.262	1.454	15%	1.715	1.8	5%
Wood Products 4/	0.649	0.573	–12%	5.592	5.148	–8%	7.293	NA	NA
Fish and Seafood Products 4/	0.235	0.173	–27%	1.955	1.882	–4%	2.928	NA	NA
Total Agriculture	3.130	3.296	5%	33.246	33.255	0%	42.454	42.5	0%
Total Agriculture, Fish & Wood	4.015	4.042	1%	40.793	40.286	–1%	52.675	NA	NA

Export Volumes	June 1993	June 1994	Change	October–June FY '93	October–June FY '94	Change	Fiscal Year 1993	Fiscal Year 1994(f)	Change
	--MMT--		Change	--MMT--		Change	--MMT--		Change
Grains and Feeds 1/	6.811	5.742	–16%	81.788	66.655	–19%	104.149	NA	NA
Wheat	2.338	1.994	–15%	27.680	23.298	–16%	36.081	31.0	–14%
Wheat Flour	0.086	0.056	–35%	0.888	0.725	–18%	1.067	1.0	–6%
Rice	0.275	0.180	–34%	2.001	1.903	–5%	2.713	2.6	–4%
Coarse Grains 2/	3.045	2.462	–19%	40.392	29.908	–26%	50.100	37.1	–26%
Corn	2.827	2.195	–22%	33.418	24.885	–26%	41.766	31.0	–26%
Feeds & Fodders	0.878	0.862	–2%	9.080	9.084	0%	11.885	11.9	0%
Oilseeds and Products	1.634	1.116	–32%	25.276	19.602	–22%	29.408	23.5	–20%
Soybeans	1.072	0.728	–32%	17.750	13.642	–23%	20.400	16.1	–21%
Soybean Cakes & Meals	0.309	0.234	–24%	4.861	3.806	–22%	5.653	4.4	–22%
Soybean Oil	0.034	0.016	–52%	0.519	0.469	–10%	0.644	0.5	–22%
Other Vegetable Oils	0.060	0.052	–13%	0.643	0.607	–6%	0.824	NA	NA
Livestock Products 3/	0.246	0.256	4%	2.146	2.179	2%	2.811	NA	NA
Red Meats	0.088	0.084	–4%	0.676	0.742	10%	0.903	1.0	11%
Poultry Products 3/	0.074	0.121	63%	0.723	1.031	43%	1.012	NA	NA
Poultry Meat	0.071	0.117	65%	0.695	1.001	44%	0.974	1.2	23%
Dairy Products 3/	0.044	0.046	2%	0.399	0.467	17%	0.467	NA	NA
Unmanufactured Tobacco	0.019	0.015	–21%	0.197	0.167	–15%	0.231	NA	NA
Cotton & Linters	0.086	0.179	109%	0.956	1.296	36%	1.163	1.6	38%
Planting Seeds	0.022	0.018	–19%	0.495	0.388	–22%	0.556	NA	NA
Horticultural Products 3/	0.441	0.465	5%	5.951	6.090	2%	6.090	6.8	12%
Sugar & Tropical Products 3/	0.107	0.094	–12%	1.102	0.910	–17%	0.910	NA	NA
Total Agriculture 3/	9.49	8.05	–15%	119.03	98.79	–17%	146.80	123.9	–16%

Notes: 1/ Includes pulses, corn gluten feed and meal; 2/ includes corn, oats, barley, rye and sorghum;
3/ includes only those items measured in metric tons; 4/ items not included in agricultural product totals.
FY 1994 forecasts (f) are based on USDA's "Outlook for Agricultural Exports," published May 27, 1994.

U.S. Agricultural Export Value by Region

Monthly and Annual Performance Indicators

	June			October–June			Fiscal Year		
	1993	1994		FY '93	FY '94		1993	1994(f)	
	–$Billion–		Change	–$Billion–		Change	–$Billion–		Change
Western Europe	0.381	0.385	1%	6.276	5.661	–10%	7.439	7.2	–3%
European Union 1/	0.350	0.353	1%	5.916	5.289	–11%	6.964	6.5	–7%
Other Western Europe	0.031	0.032	3%	0.360	0.373	4%	0.475	0.5	5%
Eastern Europe	0.025	0.014	–43%	0.391	0.245	–37%	0.465	0.4	–14%
Former Soviet Union	0.090	0.064	–29%	1.210	1.224	1%	1.435	1.5	5%
Asia	1.234	1.478	20%	12.105	13.470	11%	15.866	16.5	4%
Japan	0.724	0.769	6%	6.377	7.148	12%	8.430	9.2	9%
China	0.033	0.138	312%	0.288	0.539	87%	0.317	0.5	58%
Other East Asia	0.366	0.421	15%	3.739	3.958	6%	4.932	5.0	1%
Taiwan	0.134	0.159	19%	1.499	1.651	10%	1.998	2.2	10%
South Korea	0.160	0.160	0%	1.559	1.512	–3%	2.041	1.9	–7%
Hong Kong	0.072	0.101	41%	0.669	0.793	19%	0.878	0.9	3%
Other Asia	0.110	0.150	36%	1.701	1.824	7%	2.187	2.0	–9%
Pakistan	0.000	0.013	3140%	0.171	0.204	19%	0.236	0.3	27%
Philippines	0.027	0.036	30%	0.403	0.411	2%	0.511	0.5	–2%
Middle East	0.125	0.088	–30%	1.445	1.259	–13%	1.856	1.9	2%
Israel	0.015	0.012	–20%	0.266	0.263	–1%	0.363	0.4	10%
Saudi Arabia	0.031	0.033	8%	0.347	0.366	6%	0.429	0.5	17%
Africa	0.178	0.162	–9%	2.104	1.634	–22%	2.593	2.3	–11%
North Africa	0.132	0.093	–30%	1.279	1.081	–15%	1.587	1.6	1%
Egypt	0.058	0.060	3%	0.577	0.431	–25%	0.727	0.6	–17%
Algeria	0.039	0.019	–52%	0.349	0.463	33%	0.428	0.7	64%
Sub–Saharan Africa	0.046	0.069	50%	0.826	0.553	–33%	1.006	0.8	–20%
Latin America	0.566	0.553	–2%	5.161	5.285	2%	6.813	7.0	3%
Mexico	0.324	0.329	2%	2.773	2.935	6%	3.621	3.9	8%
Other Latin America	0.242	0.224	–8%	2.388	2.350	–2%	3.192	3.1	–3%
Brazil	0.011	0.011	2%	0.180	0.173	–4%	0.231	0.2	–13%
Venezuela	0.027	0.028	1%	0.393	0.327	–17%	0.498	0.4	–20%
Canada	0.485	0.504	4%	3.944	3.924	–1%	5.202	5.3	2%
Oceania	0.035	0.039	11%	0.324	0.372	15%	0.453	0.5	10%
World Total	3.130	3.297	5%	33.246	33.257	0%	42.454	42.5	0%

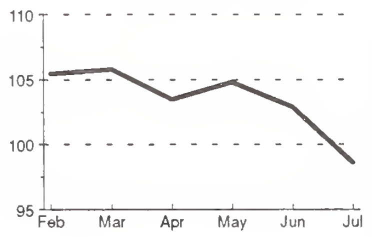
Notes: 1/ Formerly known as the European Community (EC–12).
FY 1994 forecasts are based on USDA's "Outlook for U.S. Agricultural Exports," published May 27, 1994.

Exchange Rate Movements Of Major World Currencies
Vis-a-Vis U.S. Dollar -- Daily Spot Quotations & Monthly Averages

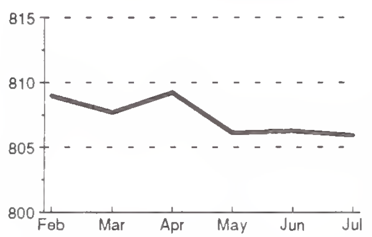
Currencies	Current Rate 8/15/94	Month Ago 7/15/94	Year Ago 8/93	% Change Year Ago 8/93
Argentine Peso	.99	.99	.99	0.00
Australian Dollar	1.3504	1.3699	1.4697	-8.12
Brazilian Cruzeiro real	.90	.93	.78	15.38
Canadian Dollar	1.3805	1.3900	1.3153	4.96
Hong Kong Dollar	7.7280	7.7305	7.7525	-0.32
Japanese Yen	100.11	102.63	101.60	-1.47
Mexican Peso	3.4025	3.3625	3.1110	9.37
Taiwan Dollar	26.48	27.06	26.96	-1.78
South Korean Won	805.80	806.30	809.20	-0.42
European ECU	.81726	.84890	.88629	-7.79
-British Pound	.6485	.6570	.6709	-3.34
-French Franc	5.3275	5.5755	5.9685	-10.74
-German Mark	1.5525	1.6350	1.6853	-7.88

NOTE: Exchange rates are daily spot quotes as of 3:00 PM Eastern Time, August 15, 1994.
Source: TEAD/ITP/FAS Exchange Rate Database and Wall Street Journal.

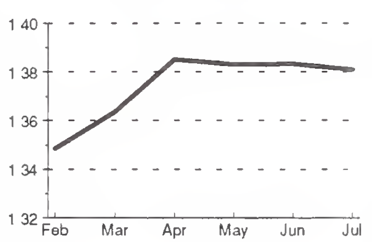
Japanese Yen



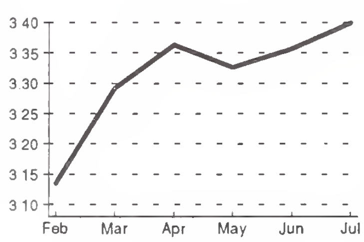
South Korean Won



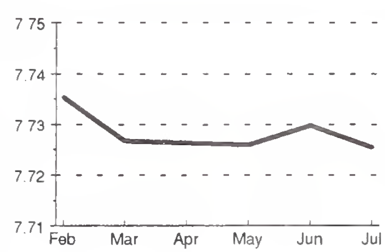
Canadian Dollar



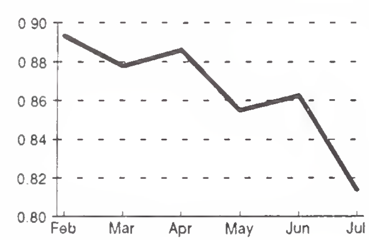
Mexican Peso



Hong Kong Dollar



European ECU



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